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ARIZONA CORPORATION COMMISSION

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July 27, 2006

Chairman Hatch-Miller
Commissioner Gleason
Commissioner Mayes
Commissioner Wong

Re: Johnson Utilities, L.L.C. Requests to Amend Decisions Nos. 68235, 68236, and 68237 Pursuant to A.R.S. § 40-252.

Dear Colleagues:

It is my opinion that this matter should be sent to a hearing before an Administrative Law Judge. I understand that both the Company and Staff are planning to call expert witnesses to testify. In this situation I feel that it would be more appropriate to hold an evidentiary hearing before an ALJ rather than to have the Commissioners conduct the evidentiary hearing at an Open Meeting just prior to voting on the issue.

It would benefit my decision making process to see briefs prior to the hearing from the Company and Staff addressing the differences between a performance bond and an irrevocable letter of credit, particularly in the event that either would need to be redeemed or called upon in order to avoid detrimental impact on customers.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "William A. Mundell".

William A. Mundell, Commissioner
Arizona Corporation Commission

cc: Brian McNeil
Lyn Farmer
Ernest Johnson
Chris Kempley
Heather Murphy